

BEFORE THE ARIZONA CORPORATION COMMISSION

JEFF HATCH-MILLER  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
MARC SPITZER  
Commissioner  
MIKE GLEASON  
Commissioner  
KRISTIN K. MAYES  
Commissioner

AVIS READ; individually, and on Behalf of All )  
Others Similarly Situated, )  
Complainants, )  
v. )  
ARIZONA PUBLIC SERVICE COMPANY, )  
Respondent. )  
\_\_\_\_\_ )

DOCKET NO. E-01345A-04-0657

IN THE MATTER OF THE APPLICATION OF )  
ARIZONA PUBLIC SERVICE COMPANY FOR )  
A DECLARATORY ORDER REGARDING BILL )  
ESTIMATION PROCEDURES )  
\_\_\_\_\_ )

DOCKET NO. E-01345A-03-0775

DIRECT

TESTIMONY

OF

JOYCE I. STEINGASS

SENIOR ASSOCIATE

BARRINGTON-WELLESLEY GROUP, INC.

JANUARY 24, 2005

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**INTRODUCTION**

**Q. Please state your name, occupation, and business address.**

A. My name is Joyce I. Steingass. I am a Senior Associate with the Barrington-Wellesley Group, Inc. BWG is a general management consulting firm which performs a significant portion of its work in the electricity, gas, and telephone industries. My business address is 975 Hutchinson Road, Walnut Creek, California 94598.

**Q. Please describe your educational background and professional experience.**

A. I have more than twenty years of utility consulting and industry experience. I am a licensed mechanical engineer, and have experience consulting with large investor-owned gas and electric utilities in California, New York, Washington D.C., Illinois and South Carolina. I am an accomplished project manager and quality improvement specialist, and have demonstrated effectiveness at organizing and managing projects and conducting operational, financial, and management reviews in the areas of regulatory compliance, business ethics, customer services, and gas and electric utility operations.

Prior to entering consulting in 1999, I was employed by Pacific Gas & Electric (PG&E) for seventeen years including two years as director of distribution quality assurance and four years as director of operational compliance. I have a B.S. in mechanical engineering from the University of California, Berkeley and have taken graduate courses in business administration at Golden Gate University.

My complete resume is included as Schedule JIS-1.

**Q. Did you participate in the preparation of the December 28, 2004 Staff Report?**

A. Yes.

**Q. Are you sponsoring the December 28, 2004 Staff Report?**

1 A Yes, I am.

2

3 **Q. Does this conclude your direct testimony?**

4 A Yes, it does.

5

# EXHIBIT 1

**JOYCE I. STEINGASS, P.E.**

*Senior Associate*

**BARRINGTON-WELLESLEY GROUP**

***Summary of Qualifications***

Mrs. Steingass has more than twenty years of utility consulting and industry experience. A licensed mechanical engineer, she has experience consulting with large investor-owned gas and electric utilities in California, New York, Washington D.C., Illinois and South Carolina. An accomplished project manager and quality improvement specialist, she has demonstrated her effectiveness at organizing and managing projects and conducting operational, financial, and management reviews in the areas of regulatory compliance, business ethics, customer services, and gas and electric utility operations.

Prior to entering consulting in 1999, she was employed by Pacific Gas & Electric (PG&E) for seventeen years including two years as director of distribution quality assurance and four years as director of operational compliance. Mrs. Steingass has a B.S. in mechanical engineering from the University of California, Berkeley and has taken graduate courses in business administration at Golden Gate University.

***Representative Utility Consulting Engagements***

**Regulatory Compliance Auditing - Utility Customer Service, Meter Reading or Billing**

- As Director of Operational Compliance at PG&E, performed management assessments and conducted operational compliance reviews for the Customer Energy Services Business Unit. Raised awareness and initiated action to strengthen the company's commitment to full compliance with laws, regulatory requirements, and utility standards. Selected and trained a diverse team of specialists to evaluate distribution unit operations. Mobilized teams to evaluate business concerns in the areas of customer service and marketing, gas and electric operations, and tariff rates and rules on short notice. Identified over \$16 million in savings, avoided costs, or errors. (1994-1997)
- Supervised a short lead-time project to investigate tariff compliance regarding customer meter reading and billing procedures that were used to estimate final bills when accounts were opened and closed in eighteen customer service headquarters throughout the service territory. Communicated recommendations for process improvements and supported process improvement teams with quality control practices. (1995)
- Investigated tariff compliance on the subject of assigning utility rate schedules to customer accounts. (1997)
- Assisted corporate project teams to review and evaluate revenue cycle processes such as measurement, billings, and collections during an extensive process redesign effort, to incorporate stronger checks and balances into new processes. (1996)
- Acted as a project steering committee member to evaluate the introduction of a late payment fee, including risk assessment and developing new processes. (1997)

- Performed assessment of processes for setting up new customer billing accounts and recording new facilities on operating; evaluated processes for calculating franchise fee payments prior to litigation brought by some California cities or counties regarding accurate franchise fees. (1992 and 1994)
- As an independent consultant to PG&E, summarized the history of PG&E's experience with the franchise fee payment process in advance of litigation brought by two California counties. (1999)

### **Consulting - Utility Management, Operations, or Regulatory Compliance**

- Supported an electric utility client undergoing an extensive regulatory commission investigation after a significant operating incident. Services included ensuring accurate and timely response to data requests provided to the commission, technical analysis of information submitted, preparing client personnel in advance of interviews, and developing strategies for and responding to the final report. (2000)
- Redesigned the regulatory compliance process for an electric utility's distribution system. Responsibilities included application design using SAP's enterprise resource planning system. Evaluated processes, controls, and performance monitoring to ensure regulatory compliance and to coordinate compliance controls with the enterprise resource management system. (2000)
- For a southern public utility commission, monitored the implementation of recommendations of a focused regulatory commission safety and management audit of a local gas distribution company's design, construction, operations, and maintenance practices. Provided advice and recommendations based on industry best practices, reviewed proposed process changes, and tracked progress compared to the original audit findings. (2000)
- Designed and implemented an operations compliance program for a Midwestern energy delivery unit. Focused on strengthening compliance with regulatory requirements affecting maintenance and operations. Conducted initial focused compliance audits to indoctrinate the client with the new processes. (2001)
- Served as lead consultant for an audit of Duke Power Company's power restoration and maintenance procedures on behalf of the South Carolina Public Service Commission. The audit included an exhaustive review of the company's preventive maintenance programs, including analysis of the impact of personnel cutbacks in contributing to extended outages, as well as any adverse affects stemming from the company's pole and cable replacement program and tree trimming activities. (2003)

### **Quality Improvement and Quality Assurance**

- Directed the development of the Standards Task Force to develop or revise PG&E customer energy services policies and standards. Provided leadership and guidance to the steering committee involved in making enterprise-wide changes to standard operating procedures, ensuring consistency and adequate controls. (1997)

- As PG&E's Director of Quality Assurance, established and directed electric distribution system audits. Also evaluated design, construction, maintenance, and inspection methods and procedures for compliance with company and California Public Utility Commission (CPUC) Code standards. (1997-1998)

#### **Other Representative Experience - Benchmarking and Industry Restructuring**

- Provided research and comparisons of industry restructuring from other states for a client undergoing market re-structuring (2004)
- Working group member for developing data accuracy and metering monitoring methods for California utilities and evaluated proposed regulations (1996-1999).
- Developed benchmarking survey instrument for Navigant Consulting, Inc.'s International Distribution Enterprise Consortium to benchmark gas and electric companies in financial management, system reliability, customer service, activity-based costs, and workforce practices. (1999)
- Performed distribution reliability benchmarking of investor-owned electric utilities, such as System Average Interruption Frequency Indices (SAIFI), System Average Interruption Duration Indices (SAIDI), and Customer Average Interruption Duration Indices (CAIDI) for twenty-five major electric utilities. (2001)

#### ***Work Experience***

**Barrington-Wellesley Group, Inc.** Senior Associate (2003-present)

**Navigant Consulting, Inc.** Senior Engagement Manager (1999-2002)

**Independent consultant** (1998-1999)

**Pacific Gas and Electric Company** (1981 - 1998)

1997-1998	Director, Distribution Quality Assurance
1993-1997	Director, Operational Compliance.
1992-1993	Senior Operations Analyst
1988-1991	Pipeline Replacement Superintendent
1986-1988	Senior Distribution Engineer
1985-1986	Distribution Engineer
1981-1985	Engineer, Nuclear Quality Assurance

#### ***Licenses and Professional Affiliations***

Professional Engineer, Mechanical Engineering, State of California M25178

American Society for Quality